

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1111 – HB 1174

April 4, 2013

**SUMMARY OF ORIGINAL BILL:** Defines “publically funded entity” as a facility that receives state or local funds to support the facility’s operations. Requires a referendum before more than 30 percent of the assets of any publically funded entity within the respective local jurisdiction can be offered for sale or lease.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – To the extent any special referendum is held, there will be a permissive increase in local government expenditures estimated to exceed \$6,000. Any other fiscal impact to state and local governments cannot be determined due to multiple unknown factors.

**SUMMARY OF AMENDMENT (006280):** Deletes and rewrites subsection (b), which defines a “publically funded entity” as a facility that received state or local funds to support the facility’s operations, and excludes entities that receive funding from the Department of Economic and Community Development or the Department of Finance and Administration as a part of any economic development project as defined in Tenn. Code Ann. § 7-40-103. Adds language making the bill as amended applicable only upon adoption of a resolution by a majority vote of the municipal legislative body. Deletes and rewrites subsection (a) such that the only substantive change requires any referendum conducted prior to the sale or lease of the publically funded entity to be held during the next regularly scheduled election.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Other Fiscal Impact - Any fiscal impact to state and local governments cannot be determined due to multiple unknown factors; however any fiscal impact to local government is considered permissive.**

Assumptions for the bill as amended:

- According to the Division of Elections, referendums held in conjunction with a regularly scheduled election do not result in an increase in local government expenditures.

- Any vote taken by the municipal legislative body to comply with the provisions of this bill as amended can be accomplished at a regularly scheduled meeting.
- The fiscal impact of this bill as amended, is dependent upon multiple unknown factors such as: how many municipal legislative bodies will elect to adopt the provisions of this bill as amended; the extent to which referenda will prevent the sale or lease of publicly funded entities, or the assets of publicly funded entities; what any sold or leased property would have been utilized for in the absence of this bill, relative to what the property will be utilized for when referenda prevents a sale or lease; the extent to which property would be reassessed for taxation purposes if sold or leased under current law relative to any reassessment for the property under the provisions of this bill as amended; and the timing of any referenda and subsequent sale or lease of property. Given the extent of unknown factors, precise impacts to state and local governments cannot be determined; however any such impact to local government will be permissive.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

/jrh